in favor.

A motion was made by Neubauer, seconded by Dettloff, that this matter be Approved. The motion carried by the following vote:

Aye 9 - Brnabic, Denstaedt, Hooper, Neubauer, Struzik, Weaver, Hetrick, Dettloff and Gallina

Resolved, the Rochester Hills Planning Commission hereby appoints Deborah Brnabic to serve as its Vice Chairperson for a one-year term to expire the first meeting in April 2027.

2026-0189 Request for Election of Officers - Secretary - for a one year term to expire the first meeting in April 2027

Chairperson Hooper introduced the request for the election of a secretary for a one-year term set to expire in April 2027. Commissioner Neubauer made a motion to nominate Scott Struzik to continue as secretary for another term. The motion was supported by Commissioner Denstaedt.Chairperson Hooper called for discussion on the motion to appoint Mr. Struzik. Seeing no further discussion, a voice vote was taken, and the motion passed unanimously.

A motion was made by Neubauer, seconded by Denstaedt, that this matter be Approved. The motion carried by the following vote:

Aye 9 - Brnabic, Denstaedt, Hooper, Neubauer, Struzik, Weaver, Hetrick, Dettloff and Gallina

Resolved, the Rochester Hills Planning Commission hereby appoints Scott Struzik to serve as its Secretary for a one-year term to expire the first meeting in April 2027.

DISCUSSION

2026-0199 Data Center Ordinance Discussion Draft

(McLeod Memo dated 4/15/26, Draft Ordinance 3/19/26, City Council Synopsis 3/9/26 and 2/23/26, Draft Joint PC-CC Minutes 2/2/26, and PC minutes 12/9/25 had been placed on file and by reference became a part of the record hereof.)

Chairperson Hooper introduced the discussion on the draft data center ordinance. Mr. McLeod explained that while a preliminary ordinance provision regarding data centers was previously included in general industrial standards, staff is now bringing forward a more formal and comprehensive review. He noted that this working draft is not intended to be final but serves to illustrate staff's proposed structure for the ordinance.

Mr. McLeod provided an update on the regulatory environment, stating that the City Council is currently about one and a half months into a six-month moratorium on data centers. He added that the state is also contemplating a state-wide moratorium, which could significantly impact local planning if enacted.

Regarding the types of facilities being addressed, Mr. McLeod distinguished between different scales of development. He specifically identified "hyper centers" as the large-scale projects often featured in the news, which typically exceed 100 acres. He noted that these massive facilities are known for their

extreme consumption of electricity and water, often drawing enough energy to power an entire major city.

Mr. McLeod explained that while hyperscale data centers are highly land-consumptive and typically locate along major electrical corridors like I-94, Rochester Hills' limited land availability and grid access make such massive developments less likely. However, the draft ordinance still addresses them by requiring a conditional use permit within industrial districts and establishing a minimum lot size of 10 acres. The primary focus of the proposal shifted toward local data centers, which are smaller in size and often function as commercial spaces where businesses or internet providers can purchase server space. By breaking the ordinance into two distinct categories, staff aims to create standards more conducive to the city's specific land and infrastructure constraints while still providing a framework for these smaller-scale commercial facilities.

Mr. McLeod discussed the local nature of these smaller data centers, noting they are more compatible with the surrounding community. He proposed that such facilities be classified as a permissible use within the Industrial or Employment Center (EC) districts under two conditions. First, they could be permitted as an ancillary or accessory use to an existing industry. Second, standalone data centers would be permitted if their power capacity is less than two megawatts. Mr. McLeod acknowledged that while two megawatts is a common industry threshold for smaller facilities, it still represents a significant electrical load equivalent to the consumption of approximately 1,500 homes.

The intent of these provisions is to support the city's technologically advanced industrial base. Mr. McLeod emphasized the importance of accommodating high-end users, such as Fanuc, who may require dedicated data centers for their own internal processing needs. He cited the Henry Ford Health data center at 2571 Product Drive as a local example. This standalone facility occupies roughly 40,000 square feet and serves exclusively to manage the data requirements for the Henry Ford Health system.

Mr. McLeod explained that privately held data centers are often more secretive about their energy consumption compared to publicly operated ones, which frequently use their high electrical capacity as a sales pitch to attract clients. The draft ordinance addresses these facilities through two classifications: a conditional use for larger operations and a permissible use for ancillary or smaller-scale data centers.

A primary safety and comfort standard in the draft is a required 500-foot setback from residentially zoned property. However, this distance can be reduced if the applicant provides a 3D acoustical model proving they can meet the City's noise standards. Mr. McLeod noted that he is collaborating with MemTech, a local firm of acoustical professionals, to review these standards. He pointed out that the City's existing data center currently maintains a buffer of approximately 1,000 feet from the nearest residences, providing a significant distance between the industrial activity and the community.

Mr. McLeod detailed the screening requirements, explaining that the most

intensive buffer standard, Buffer E, would be mandated. This requires a combination of physical walls and green landscaping. Furthermore, if a 3D sound map indicates potential noise violations, additional acoustical landscape screening would be required. He noted that typical sound ordinances often fail to address the specific noise profile of data centers, which produce decibel levels on a "C-weighted" scale. This low-frequency sound acts much like a vibration and can pass through standard cement walls or general landscaping if the screening is not specifically designed for acoustical dampening.

To address these unique sound challenges, the draft ordinance requires that any noise-producing equipment, whether ground-mounted or on the roof, such as HVAC units or transformers, must utilize specific dampening materials and equipment designs. This dual approach ensures that screening addresses both the visual requirements of the City's normal standards and the specialized acoustical needs identified by the 3D modeling to mitigate sound and vibration.

Mr. McLeod explained that the decibel levels currently established in the draft represent the most stringent standards possible. He noted that staff intentionally set these strict requirements as a starting point, with the expectation that they may be adjusted following a professional review by MemTech to ensure they are realistic.

The proposal also distinguishes between different time frames to prevent developers from using higher daytime ambient noise levels to justify loud operations. Mr. McLeod emphasized that while daytime noise is often masked by general activity, nighttime requires a much lower threshold when background noise is minimal. To ensure community comfort, the ordinance will require sound studies to be conducted at appropriate times, ensuring that noise levels remain acceptable during the quietest hours of the night.

Mr. Hetrick questioned the rationale behind allowing six months for a facility to submit an as-built study and an additional six months to rectify any non-compliance. Mr. McLeod explained that the initial six-month period after a facility becomes operational is intended to verify that the sound systems are functioning as theoretically modeled, providing the city with an "as-built" record of acoustic performance. This ensures that the City is not merely relying on initial projections but has empirical data to address potential neighbor complaints.

Regarding the timeline for non-compliance, Mr. McLeod noted that because data center sound issues often require complex, large-scale engineering solutions rather than simple fixes, the six-month window was proposed to allow for significant structural or mechanical adjustments. Commissioner Hetrick expressed concern with this duration, noting that the combined periods could result in a full year of noise issues for the community, and indicated a preference for a shorter non-compliance timeline.

Chairperson Hooper suggested holding further questions until staff completed the overview, noting that several commissioners had questions lined up. Mr. McLeod then addressed water usage, stating that the ordinance would require a closed-loop internal system. He explained that since these systems require

periodic flushing and recharging, applicants must provide a plan for the proper disposal of the used water, which is often not clean upon discharge.

Regarding electrical consumption, Mr. McLeod noted that developers must demonstrate how they will secure service and show that DTE Energy has signed off on the process. Furthermore, the draft includes a requirement for a ratepayer protection agreement to ensure that the massive energy demands of a data center do not result in increased costs for local DTE customers. He emphasized that these measures are intended to proactively address the common public concerns often reported in the news regarding large-scale data facilities.

Mr. McLeod addressed the promotion of alternative energy, acknowledging the challenges of implementing such systems in Michigan while noting that developers are financially motivated to use free energy where feasible. He pointed out that large-scale facilities with significant roof areas offer substantial potential for solar panel installation, and the ordinance would require developers to demonstrate their efforts toward incorporating such energy-producing materials. Additionally, any proposed electrical substations must be integrated into the site plan and fully screened from view.

The draft ordinance also emphasizes energy efficiency, requiring that buildings are designed to minimize consumption and maximize system utility. This includes exploring ways to repurpose generated heat, such as using the warmth produced by servers to heat the facility during winter months rather than relying on supplemental systems.

Finally, Mr. McLeod touched on Battery Energy Storage Systems (BESS), which are essential for the redundancies required by data centers. The ordinance would regulate the location and screening of these units and require a comprehensive safety plan to address risks such as thermal runaway. He stressed the importance of the City being an active participant in these safety and management plans to protect the surrounding area.

Mr. McLeod addressed the safety concerns regarding battery energy systems, noting that once a battery catches on fire, similar to a Tesla or other EV vehicle, it does not go out until it wants to go out. He emphasized the need for plans to be in place should a worst-case scenario like thermal runaway occur. Regarding a decommissioning fund, he explained the goal is to get the building back to a state where it can be utilized for normal industrial purposes, rather than requiring it be fully removed.

The draft requires that operations be conducted indoors. For any items that must be outdoors, the developer must show they cannot be indoors and ensure they are screened so as not to bring them to the outside world. Mr. McLeod noted that while these facilities are very secure and often use a multitude of levels of security and fencing, the City must take into account what that security fencing looks like.

Finally, he discussed the issue of building height. He explained that some ordinances allow data centers to build taller than normally allowed to create

efficiencies for cooling systems. This allows the cooling systems to be kept inside the building so nothing is exterior mounted, but the trade-off is that the building is taller and more visible. He asked the commission to consider if that is a trade-off the city wants to make. Mr. McLeod concluded his summary by posing a policy question regarding whether the City should allow taller buildings, provided they are set back from the surrounding environment. He explained that allowing extra height could facilitate housing all cooling systems inside the building, potentially making the facility quieter and more efficient, though the structure would be more visible.

Beyond the height considerations, he identified a necessary provision missing from the current draft regarding the Planning Commission's ability to modify parking requirements. He pointed out that a million-square-foot data center might only require parking for five cars, largely for contractors rather than regular employees. To address this, the next iteration of the ordinance will include a provision allowing the Planning Commission to consider a significant reduction in the total number of required parking spots. Following these points, he invited the commission to ask questions.

Chairperson Hooper suggested that the Planning Commission conduct a field visit or view a video montage of local facilities to get a "look, see, taste, feel" of what these buildings actually are. He noted that in his research, the facility on Butler Road looks like a standard office building where a passerby would "never know anything about it."

Mr. McLeod provided specific details for the Butler Road site, noting it sits on a little less than 10 acres with a 76,000-square-foot building, though only about 17,000 square feet are dedicated to data center usage. Chairperson Hooper then compared this to a 123.NET facility in Southfield listed on the staff-provided website, which is 40,000 square feet with three megawatts of power. He described it as looking like a typical industrial building with solid walls, reiterating that "you never know what's inside."

The discussion then turned to the regulatory history of such sites. Chairperson Hooper asked if the City had ever specifically approved the existing data centers. Ms. Roediger explained that they have been treated as an accessory use "as long as we've had computers," similar to a printer or a copier. Chairperson Hooper expressed concern that a developer could ostensibly build for a permitted industrial use and then later sell to a data center operator, leaving the City with no "recall" to prevent a transition that might not meet the new standards being discussed.

Ms. Roediger clarified that the Henry Ford Health data center on Product Drive was approved over a decade ago and was initially welcomed by Mayor Barnett as a positive office use. She noted that it only appeared as an administrative item recently when the facility added outside generators, which required a standard building permit but did not trigger a full site plan review. She explained that until recently, hyperscale data centers were not a factor in Michigan; instead, smaller accessory data centers have existed for years without causing public concern.

Mr. McLeod agreed, stating that he does not believe a true hyperscale center is currently operational within the state of Michigan, though several have been reported in the news as being in the construction or planning phases. He echoed Chairperson Hooper's observation that most existing data centers in the area are integrated into older office buildings and blend in seamlessly.

As an example, he pointed to a building near the north side of Somerset Mall, noting that a portion of it serves as a data center while other floors house standard professional offices, such as law firms. He emphasized that these facilities have "lived among us forever" without being noticed, specifically citing the Product Drive location as a facility that looks unremarkable from the road.

Chairperson Hooper observed that noise levels at existing facilities already appeared to exceed 40 decibels, noting the difficulty of legislating such strict limits. Ms. Roediger agreed, stating that the City must increase the proposed decibel levels to remain reasonable, as ambient noise in a typical industrial park already exceeds 40 decibels. Chairperson Hooper compared this to other local industrial operations, such as asphalt and concrete recycling plants, which easily reach 70 to 80 decibels, and expressed concern that setting overly restrictive limits for one use could create legal challenges regarding exclusionary zoning.

Ms. Roediger noted that staff is working with MemTech to vet the ordinance, emphasizing that the issue involves both decibel levels and the constant background vibration unique to data centers. She expressed confidence that the City will establish appropriate language, further noting that the likelihood of a truly disturbing facility is low due to the City's limited acreage. She suggested that any large-scale project would likely be located on landfill property, which has minimal proximity to residential areas.

The commission discussed the potential of using landfill sites for data centers, with Chairperson Hooper describing it as a potentially great use for such land. Mr. McLeod added that data center developers would have the financial resources to take on the challenges associated with developing landfill properties, given the significant capital typically behind these projects.

Ms. Neubauer asked for clarification regarding the requirement in section A3 for an "independent 3D acoustic model," questioning how the City could ensure a study is truly independent if the developer is the one paying for it. Mr. McLeod explained his vision for the process: the developer would provide their data, and the City would then hire its own firm, such as MemTech, to conduct a secondary review. He noted that the City would charge the developer for this independent verification since staff members are not acoustical engineers. Ms. Neubauer suggested adding explicit language to the ordinance to ensure developers understand they are responsible for funding the City's portion of the study to maintain true independence.

Ms. Neubauer also proposed revisions to the definition section of the ordinance. She observed that some facility types were currently defined by acreage while others were defined by megawatts or energy consumption. She recommended that both space and energy thresholds be included in the definition for every

category. Specifically, she pointed out that while hyperscale data centers were discussed as requiring at least 10 acres, that spatial requirement was missing from the definition section, which only referenced energy levels. She requested that the definitions be updated to consistently include both energy and space parameters.

Ms. Roediger explained that the 10-acre requirement is currently placed in the regulatory section of the ordinance rather than the definitions. She noted that, from a zoning standpoint, regulations like minimum acreage or setbacks are typically kept out of definitions so they do not get "buried," as applicants might not think to look there for specific requirements.

Ms. Neubauer countered that because the primary concerns surrounding data centers involve both size and energy consumption, she would prefer to see both components included in the definitions. She suggested that a hyperscale data center should be defined by a specific size and a micro data center by a different size, rather than relying solely on energy metrics. She emphasized that including these parameters in the definitions would make the City's limitations "in your face twice" and provide maximum clarity.

The discussion continued with Ms. Neubauer advocating for the City to establish its own specific definitions rather than relying on vague industry standards from other regions. She argued that precise, limiting definitions are necessary to protect the City from litigation and potential problems. Acknowledging that her preference for highly specific definitions has been viewed as too limiting in the past, she maintained that the current moratorium and the intent of the ordinance justify a more restrictive approach to ensure the City's regulations are clear and enforceable.

Mr. McLeod noted that the megawatt capacity of a data center will likely increase over time as facilities retrofit with newer technology, which significantly raises their energy draw. Ms. Neubauer responded that the City should implement a re-approval process for any such changes to prevent developers from "cheating" by increasing their power usage after initial approval. She emphasized that the City must close any potential loopholes that would allow operators to bypass the original intent of the ordinance.

Ms. Neubauer also inquired if the Fire Department had reviewed the draft, to which Mr. McLeod replied that this was the first public presentation of the language. Ms. Neubauer requested that the draft be sent to the Fire Department for their input.

Finally, she raised concerns about developers potentially accumulating non-contiguous parcels of empty space to meet the 10-acre requirement, noting that this could even occur within subdivisions. She requested that preventative language be included in the ordinance to ensure that the acreage requirements are met in a manner that aligns with the City's goals and prevents developers from piecing together land in unintended ways.

Ms. Roediger and Ms. Neubauer discussed the potential for developers to assemble smaller parcels of land into a single large site for data center use. Ms.

Neubauer expressed a desire to close any loopholes that might lead to litigation, specifically concerns that developers could combine properties to meet the 10-acre threshold in areas near residential neighborhoods. Ms. Roediger clarified that the City likely cannot constitutionally prohibit the assembly or merging of properties, as landowners generally have the right to combine adjacent parcels they own.

Ms. Roediger emphasized that zoning "goes with the land," meaning any assembled property must still adhere to the underlying industrial zoning and all applicable regulations. She noted that while theoretically any industrial pieces could be merged - citing Lifetime Fitness and the nearby Sanyo property as examples - the resulting site would still be subject to the strict setbacks and noise standards in the ordinance. Ms. Neubauer clarified that her goal is not to stop land assembly itself, but to ensure that the City's regulations are protective enough to prevent a large-scale facility from being established too close to homes, even on assembled land.

The discussion concluded with Chairperson Hooper and Ms. Roediger pointing out that existing protections, such as the proposed 1,000-foot or 500-foot setbacks from residential areas, would act as the primary defense. Ms. Neubauer reiterated that she wants to be certain these regulations are robust enough to account for even theoretical assembly scenarios, such as those near the apartments by Lifetime Fitness, to ensure residential areas remain fully protected.

Ms. Neubauer questioned how the City would effectively implement and monitor the proposed restrictions, specifically regarding technical aspects like wattage usage and energy contracts. She expressed concern over the feasibility of enforcement, asking if the City would need to hire specialized staff to ensure developers comply with their stated energy draws and to verify that agreements with DTE Energy actually protect residents from rate increases.

Mr. McLeod spoke regarding the challenges of legal enforcement, noting that while a developer might sign a ratepayer protection agreement, DTE Energy can still seek general rate increases through the Public Service Commission. He expressed skepticism that any local ordinance could legally prevent a statewide utility from raising prices, describing the effort to bind a specific development to local rate stability as a "very unique animal." He suggested that, in practice, much of the enforcement would likely rely on legal agreements and certified statements rather than constant manual monitoring by City staff.

Ms. Neubauer sought clarification on how the City would verify a developer's energy usage, questioning if the process would simply rely on an affidavit. Mr. McLeod explained that while a developer would provide a certified statement regarding their megawatt capacity, the actual utility rates remained a separate issue. Ms. Neubauer emphasized that if the City must hire specialists to verify these claims, the ordinance should include language shifting those costs to the developer.

The discussion moved to the long-term enforcement of these energy limits. Mr. McLeod noted that if the City suspected a facility was exceeding its approved

capacity a year after opening, the burden of proof would eventually shift to the City. If a violation of the certified statement were found, the City could then pursue legal action and penalties. Ms. Neubauer concluded by stating she wants clear language in the ordinance ensuring that the costs of monitoring, implementation, and verification of these statements are absorbed by the developer rather than the City.

Chairperson Hooper directed that the City Attorney review the research and provide input on the matter. Mr. McLeod agreed, stating that staff could consult with legal counsel to find "creative ways" to incorporate these requirements into the ordinance.

Mr. McLeod also expanded on the energy challenges, noting that the volume of data center usage already lined up across the State, even before the City begins these local discussions, is more than DTE could ever provide. He raised questions regarding how this demand would be met and who would pay for the necessary infrastructure. While he acknowledged that data center developers have "a lot of money behind them," he pointed out that the costs for substations, transmission lines, and potential contributions to main generators (such as wind, solar, or coal) represent a significant amount of money that is currently unaccounted for.

Chairperson Hooper agreed, stating that wind and solar are "not the answer for data centers" and that such an idea would "never pass the smell test." He noted that the City has not built a substation in a very long time and asked for clarification on their placement, pointing out that the substation on Rochester Road is located in a residential area. Mr. McLeod and Ms. Roediger confirmed this, with Ms. Roediger noting that many public utilities are located in residential zones and "can go anywhere."

Chairperson Hooper remarked that in his 38 years with the City, he had never reviewed a site plan for a substation. However, Ms. Roediger and Mr. McLeod informed him that one is supposed to be coming if for review.

Ms. Roediger explained that even prior to the data center discussion, DTE has acknowledged an energy shortage in the region, including Rochester Hills, Rochester, and Oakland Township. She noted that DTE has been searching for a site between Livernois and John R for years and has approached the City with several options. She concluded by mentioning that the City has finally helped them identify a suitable site.

Mr. Struzik shared that he has worked in technology for the last 25 years and expressed concerns regarding smaller data centers. He noted that while it is becoming less common due to the cloud, a building zoned as office, which might be a couple hundred thousand square feet, could contain a data center of approximately 10,000 square feet on the first floor. He emphasized that the City should not stop a company from building a data center that supports a larger operation and various office jobs. He pointed out that while the proposed language specifically allows for small data centers in the Employment Center

district, it does not explicitly call out the Office district, and he suggested that the Office district should be included.

Mr. Struzik observed that while the draft addresses battery backups and UPS systems, it does not mention flywheels. He described a flywheel as a large mass that spins to store energy kinetically, providing power while generators kick on during an outage. He suggested the City might need to consult the fire department to see if this "large spinning mass" presents extra dangers or fire hazards that should be included in the ordinance, though he was not certain it was necessary. He also emphasized that "not all data centers are scary," noting that his employer owns a 20,000-square-foot dedicated data center and a 10,000-square-foot one within an office building that goes unnoticed. While acknowledging they may not provide as many jobs per square foot as other uses, he noted they do generate tech jobs and enable other office jobs to remain in the area. Mr. Struzik expressed support for the proposed ordinance, particularly the protections regarding setbacks and acoustic limits, and stated that with proper designs, the City should allow these facilities to be built.

Chairperson Hooper questioned the height setback requirement in the draft, noting it was currently listed as one-to-one. He stated that he recalled the City having a two-to-one or three-to-one setback for increased building heights and requested that staff look into the existing standards, as he believed the requirement should be more than one-to-one.

Ms. Denstaedt then raised questions regarding section two of the draft concerning water usage and discharge. She suggested adding language that requires developers to provide a specific timeframe for when they plan to discharge water to allow the City time to plan. Additionally, she inquired about the "appropriate levels" of discharge mentioned in the draft, asking if there is a specific safety threshold or number that should be maintained. She recommended that if such a safety standard exists, it should be explicitly included in the ordinance language.

Mr. McLeod explained that the amount of water discharge allowed would be a function of the test results identifying what is in the water; the quality of the water would dictate the discharge limits. He confirmed that staff could work on developing that language.

Ms. Denstaedt asked where "bad water" would go if it contained harmful substances. Mr. McLeod replied that the test results would determine the destination, noting that much of what he has read indicates such water must be sent to a landfill capable of accepting toxic materials. Chairperson Hooper and Mr. McLeod confirmed that such facilities exist in the State, with Chairperson Hooper specifically mentioning the one near the airport.

Ms. Denstaedt then moved to the noise ordinance, specifically section two, to follow up on Ms. Neubauer's previous questions. She asked for clarification on who would be responsible for monitoring the web portal where the noise data is made accessible to the City.

Mr. McLeod explained that since the data would be available to the City, staff

and its consultants would ultimately be able to monitor it. He noted that while a simple system could be set up to flag when noise levels exceed a certain bar, that information would then be translated for enforcement purposes to a sound engineer professional. This professional would determine if the facility is in exceedance and for what duration or percentage of time. He emphasized that the City would bring a true professional on board to review those statistics and make an official determination.

Ms. Denstaedt expressed her support for section H, number two, stating that she "loved" the provision for funding for the fire department. She noted that it makes sense and will help the community.

Mr. Hetrick began by agreeing with Ms. Neubauer's previous statements regarding the definitions, noting the importance of making them as clear as possible due to the "squishiness" of how these situations may play out. He then questioned the third provision under water usage, which requires the site to include secondary containment for any piping containing non-potable coolants, designed to hold 100% of the system's capacity.

Mr. McLeod confirmed this, explaining that the system must be fully redundant. He stated that if the main cooling loop holding the water fails in any capacity, the surrounding collection system must be able to contain 100% of that water. Mr. Hetrick clarified that this water should then "never be seen in the public again." Mr. McLeod agreed, noting that if a failure occurs and the water enters the secondary system, it would eventually be discharged in an appropriate form once the system is fixed or recharged. He emphasized that the intent is to prevent a scenario where a broken pipe causes water that "shouldn't be seen in the light of day" to spurt out of the building.

Mr. Hetrick expressed concern regarding the possibility of non-potable coolants entering the secondary containment system. Mr. McLeod clarified that the secondary containment is a redundancy measure designed to collect fluids if the primary system breaks, allowing staff to dispose of the contents properly and fix the system. Mr. Hetrick compared the situation to his experience building nuclear power plants, where containment systems were designed to ensure hazardous materials "never, ever, ever, ever, ever would see the light of day."

Mr. McLeod explained that when water is deliberately switched out or if a failure occurs, the disposal method, whether it be a normal landfill, a specialized landfill, or a deep injection well, would be dictated by State regulations governing those specific materials.

Referencing Ms. Denstaedt's earlier points, Mr. Hetrick noted that if the water contains non-potable coolants, cleaning it to a safe level would be extremely difficult. Mr. McLeod clarified that "cleanup" in this context likely means discharging the fluid to a certified and approved location rather than treating it on-site to a drinkable standard. Mr. Hetrick concluded that if the coolants must be discharged, the ordinance must include explicit language requiring the use of

a State or federally approved method for disposal.

Mr. McLeod suggested that the language could be clarified to link back to provision number two. He explained that if an intentional system flush or discharge is required, that liquid must be tested and disposed of according to State or federal regulations. He reiterated that the secondary containment requirement in provision number three is specifically intended for emergency situations.

Mr. Weaver sought to clarify the operational impact of a failure, asking if the secondary containment is meant to keep the facility running or if the system must shut down once the primary loop drains into the secondary one. Mr. McLeod compared it to an above-ground storage tank for gasoline or diesel, which requires secondary containment to ensure that if the main tank fails, the fluid is collected on-site rather than spilling into the ground or a drainage pipe. Mr. Hetrick asked if such a failure would force the data center into a shutdown mode. Mr. McLeod confirmed that in this instance, it most likely would, as the facility would be unable to cool its systems without the primary loop functioning.

Mr. McLeod noted that if a cooling failure occurs, the facility would shut down "pretty quick" to protect millions of dollars in computer equipment from overheating. Mr. Hetrick then addressed the third provision under electrical consumption regarding infrastructure improvements. He emphasized that the ordinance must be clear that all such improvements are the sole financial responsibility of the data center owner. He stated that these costs must not be passed on to residents or the City, and it is up to the developer to determine how those expenses affect their cost structure.

Chairperson Hooper inquired about the next steps for the six-month moratorium, suggesting a public hearing. Ms. Roediger explained that staff could either bring back a revised draft first or proceed to a public hearing, noting that the ordinance could still be modified after a hearing before moving to City Council for its first and second readings. Mr. Weaver requested to see the updated draft, and Ms. Roediger agreed to bring it back in May.

The discussion touched on the possibility of a State-level moratorium. Ms. Roediger noted that the State is considering a one-year moratorium, with a hearing scheduled for the following day. Chairperson Hooper remarked that if the State acts, "all bets are off." He concluded by commenting on the massive energy requirements of proposed projects, such as the 1.4-gigawatt facility in Saline, pointing out that a nuclear power plant typically produces only 1.1 gigawatts. He described the idea of needing a nuclear power plant just to feed a single data center as "ridiculous."

Mr. McLeod noted that the volume of projects currently lined up requires a level of capacity that may simply be unavailable. He observed that while the Governor is welcoming these facilities to the State, and legislators are pushing back, the fundamental question is whether the power grid can even support them. He highlighted the massive financial scale of these projects, citing

examples where companies like Google or Amazon have recommissioned decommissioned nuclear power plants just to power a single data center.

Mr. Weaver referenced Ms. Neubauer's earlier point about litigation, suggesting that for companies of this size, legal fees and penalties might simply be viewed as another business expense they can easily absorb. Mr. McLeod agreed, adding that when these "big boys" target a community, they arrive with a team of attorneys. However, he clarified that 95% of data centers are not on that massive scale.

Mr. Weaver asked if there was potential for several smaller data centers to "piggyback" onto each other, even if located in different parts of town. Mr. McLeod confirmed that some communities welcome them freely; he mentioned a recent webinar featuring a community outside of Washington, D.C., that had already approved 67 facilities and continued to encourage more.

Ms. Roediger emphasized that research indicates data center developers prioritize two main factors: cheap land and access to major utility corridors, such as those along the I-94 highway. She stated that Rochester Hills is at a "very low threat" for hyperscale developments because the City lacks affordable land, noting that developers would not pay a premium to be there when they can find cheaper options in Macomb County or elsewhere. Mr. Weaver agreed, noting that they would prefer to pay around $10 per square foot.

Ms. Roediger also shared an interesting case involving the University of Michigan, which proposed a data center in a township (possibly Ypsilanti or Pittsfield). Because the University is a State institution, it was exempt from local zoning; in response, the township denied the project water access, creating a "de facto moratorium" that is now headed for litigation.

She concluded by reiterating that the most likely data center projects for the City would be smaller facilities that "blend into the community," similar to the existing Henry Ford Health location. She dismissed the idea of developers buying up high-value properties like Lifetime Fitness, arguing it would be far more affordable for them to build elsewhere with better access to the specific infrastructure they require.

Chairperson Hooper noted that Oakland University could potentially build a data center, with Ms. Roediger pointing out that the University is already exploring a proposal for a small facility on a four-acre parcel in one of its parking lots. She observed that such a project would likely go unnoticed by the public. She emphasized the importance of distinguishing between hyperscale facilities and these smaller integrated uses, stating she does not want to "overregulate" a type of facility the City is unlikely to attract.

Mr. McLeod agreed, adding that the City must balance protections with the needs of local corporate users. He shared a concern from his office regarding world-class companies like FANUC America, which is headquartered in Rochester Hills and heavily focused on AI and robotics. He questioned whether

the City should restrict the "lifeblood" of such companies if they decide to build their own data infrastructure.

He concluded that while the City doesn't want massive hyperscale centers on its "front door," it must acknowledge that the world is evolving toward AI and advanced technology. Even if Rochester Hills does not see hundred-acre developments, Mr. McLeod stated that these facilities are coming "in some form or fashion" because they are simply "the way of the world."

Chairperson Hooper noted that the meeting provided a "good discussion" and asked if the Commission would see a revised draft in a couple of months. Ms. Roediger corrected the timeline, stating they would bring it back in one month.

Discussed.

NEXT MEETING DATE

May 19, 2026 - 7:00 p.m.

ADJOURNMENT

Hearing no further business to come before the Planning Commission and upon motion by Neubauer, seconded by Denstaedt, Chairperson Hooper adjourned the Regular Meeting at 9:00 p.m.

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Greg Hooper, Chairperson
Rochester Hills Planning Commission

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Jennifer MacDonald, Recording Secretary